

# **WARREN TOWNSHIP HOUSING ELEMENT AND FAIR SHARE PLAN**

Prepared for the  
Warren Township  
Planning Board

By

*John T. Chadwick IV, P.P.  
3176 Route 27, Suite 1A  
Kendall Park, NJ 08824*

October 21, 2008  
Adopted November 10, 2008

This report was signed and sealed in a accordance with NJJSA45:14A-12

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## ***INTRODUCTION***

All affordable housing districts were established as a result of the Township's substantive certification on March 7, 1988. The Township received its second round substantive certification from the Council on Affordable Housing (COAH) January 10, 1996. The certification was extended until the third round regulations were adopted by COAH.

The housing plan element provides for a variety of lot sizes. The principal dwelling type is a single family home, designed for the needs of a family raising household. The exceptions are the R-65/SC zone and the R-65 PAC zone. The R-65/SC district was established to permit senior citizen/adult housing in the 2<sup>nd</sup> round certification. The development is located in the Town Center. The R-65/PAC district was created in the 2<sup>nd</sup> round certification period but not included in the Township's 2<sup>nd</sup> round certification. The site is in the Town Center district, has received all approvals, is substantially under construction and will contribute an equivalent of 84 units to the Township's fair share.

Four existing zones have an AH designation. These districts are fully developed and part of the Township's substantive certification. Lot sizes, development regulations and densities were all established as part of a mediation agreement entered into prior to certification granted March 7, 1988.

The 3<sup>rd</sup> round Housing Element and Fair Share Plan addresses requirements of the adopted 3<sup>rd</sup> round COAH rules. Each subsection of 5:97.2 is addressed.

## ***WARREN HOUSING ELEMENT AND FAIR SHARE OBLIGATION***

### **General**

The Township's fair share is the sum of:

1. Deficient housing units occupied by low and moderate income households which is referred to as rehabilitation share; the Township's requirement is thirteen units (Appendix B).
2. Remaining prior round (1987-1999) obligation assigned to a municipality by the Council or the court for the period 1987 through 1999; the Township has fully met its 1987-1999 obligation. The remaining obligation is zero (Appendix C).
3. The growth share of the affordable housing (2004 - 2018)

The net "growth share" for the period January 1, 2004 through January 1, 2018 has been calculated. The net growth share is 403.7 (see Appendix 1).

### **Housing Element**

The Township's Housing Element is designed to achieve the goal of providing affordable housing to meet the affordable housing obligation growth share over time as per 5:97.2.2 (e).

1. Housing inventory pursuant to N.J.S.A. 52:27D-310 (a).

The Warren Township housing stock is primarily single-family dwellings constructed after 1970. Total occupied dwellings increased from 3,688 in 1990 to 4,612 in 2000. Since January 2000 a total of 600 new homes have been constructed. Since January 2004 a total of 157 new units have been added to the Township's housing inventory.

The cost of housing in the Township reflects Somerset County rising real estate values. The cost of new housing is reflected in the economic well-being of the new population. Condition of nearly all housing in the Township is sound.

Appendix tables 2A–2E show housing stock by age, condition, value, occupancy characteristics and type. Pursuant to Appendix B of COAH Rules the Township has a rehabilitation obligation of 13 units.

Residential development has declined considerably from the period January 2004 to present. A total of 157 dwelling units were constructed and occupied from January 2004 through July 2008. The COAH projection of 990 new dwellings to be constructed for the period January 2004 through December 2018 far exceeds the actual pace of development for the first 3½ years of the third round certification period.

## 2. Township demographics pursuant to N.J.S.A. 52:27D-310 (c).

The Township's median household size, income and age exceed county averages. Township income increased significantly from the 1990 census. The median age of the Township is 39.3 years as compared to County median age of 37.2 years. Median household size is slightly more than three persons per household as compared to the County median of 2.7 persons per household.

Appendix tables 3A – 3E show household size, income characteristics and age profile of Township population for the year 2000 (source: U.S. Census of Population).

### Employment Trends

The bulk of the township's employers are in the construction, trade, professional and health care fields. Also of note are finance and administration. These are all fields that are expected to see growth in the rest of the decade and beyond. The following table shows projected employment changes by industry.

**Projected Employment 2004 to 2014**  
**Somerset County**

| <b>Industry Sector</b>   | <b>Projected<br/>Avg. Annual<br/>% Change</b> |
|--|---|
| Utilities  | 0.8   |
| Construction   | 1.1   |
| Manufacturing  | -1.5  |
| Wholesale trade  | 0.9   |
| Retail trade   | 1.1   |
| Transportation & warehousing   | 0.7   |
| Information  | -0.5  |
| Finance & insurance  | 1.2   |
| Real estate & rental & leasing                                       | 0.9   |
| Professional, scientific, & technical                                | 1.8   |
| Management of companies & enterprises                                | 1.2   |
| Administrative & support & waste<br>management & remediation service | 1.4   |
| Educational services   | 1.1   |
| Health care & social assistance                                      | 2.8   |
| Arts, entertainment, & recreation                                    | 2.4   |
| Accommodation & food services  | 2.4   |
| Other services (except public  | 2.4   |

Projections: NJDOL & WD, Feb. 2007

The occupations which are expected to see the most growth are shown by the table below.

**Somerset County**  
**Occupations with the Greatest Percentage Growth, 2004-2014**

| Soc Code | Occupation                                       | 2004   |         | 2014   |         | Change: 2004-2014 |             | Annual Average Job Openings |         |              |
|----------|--|--------|---------|--------|---------|-------------------|-------------|-----------------------------|---------|--------------|
|          |  | Number | Percent | Number | Percent | Number            | Percent     | Total                       | Growth* | Replacements |
| 43-4011  | Brokerage Clerks                                 | 50     | 0.0     | 150    | 0.1     | 50                | <b>68.9</b> | 10                          | 10      | 0            |
| 29-2091  | Orthotists and Prosthetists                      | 50     | 0.0     | 100    | 0.0     | 50                | <b>62.1</b> | 10                          | 0       | 0            |
| 31-1011  | Home Health Aides                                | 1,050  | 0.6     | 1,700  | 0.8     | 650               | <b>59.9</b> | 80                          | 60      | 10           |
| 31-9092  | Medical Assistants                               | 50     | 0.0     | 100    | 0.1     | 50                | <b>49.3</b> | 10                          | 0       | 0            |
| 15-1081  | Network Systems and Data Communications Analysts | 550    | 0.3     | 800    | 0.4     | 250               | <b>45.6</b> | 30                          | 30      | 10           |
| 39-9021  | Personal and Home Care Aides                     | 200    | 0.1     | 300    | 0.2     | 100               | <b>45.1</b> | 10                          | 10      | 0            |
| 29-2021  | Dental Hygienists                                | 350    | 0.2     | 500    | 0.2     | 150               | <b>42.4</b> | 20                          | 20      | 0            |
| 31-9091  | Dental Assistants                                | 700    | 0.4     | 1,000  | 0.5     | 300               | <b>42.2</b> | 50                          | 30      | 20           |
| 29-1122  | Occupational Therapists                          | 100    | 0.0     | 100    | 0.1     | 50                | <b>40.3</b> | 0                           | 0       | 0            |
| 29-1123  | Physical Therapists                              | 150    | 0.1     | 200    | 0.1     | 50                | <b>40.1</b> | 10                          | 10      | 0            |
| 15-1031  | Computer Software Engineers, Applications        | 1,550  | 0.8     | 2,150  | 1.0     | 600               | <b>39.4</b> | 80                          | 60      | 20           |
| 25-2011  | Preschool Teachers, Except Special Education     | 800    | 0.4     | 1,100  | 0.5     | 300               | <b>38.4</b> | 40                          | 30      | 10           |
| 37-2021  | Pest Control Workers                             | 50     | 0.0     | 100    | 0.0     | 0                 | <b>37.1</b> | 0                           | 0       | 0            |
| 21-2021  | Directors, Religious Activities and Education    | 150    | 0.1     | 200    | 0.1     | 50                | <b>36.7</b> | 10                          | 10      | 0            |
| 15-1032  | Computer Software Engineers, Systems Software    | 1,000  | 0.5     | 1,400  | 0.7     | 350               | <b>36.6</b> | 50                          | 40      | 10           |
| 39-9099  | Personal Care and Service Workers, All Other     | 100    | 0.1     | 150    | 0.1     | 50                | <b>36.2</b> | 10                          | 0       | 0            |
| 41-9022  | Real Estate Sales Agents                         | 550    | 0.3     | 700    | 0.3     | 200               | <b>33.0</b> | 30                          | 20      | 10           |
| 29-2041  | Emergency Medical Technicians and Paramedics     | 150    | 0.1     | 200    | 0.1     | 50                | <b>32.6</b> | 10                          | 10      | 0            |

\* Average Annual New Jobs will not equal annualized "Employment Change" since, for declining occupations, new jobs are tabulated as zero since no net job growth is projected, while the employment change is based solely on the difference between 2004 and 2014 employment totals.

Note: Occupational data include estimates of self-employed and unpaid family workers and are not directly comparable to the industry employment total.

Totals may not add due to rounding. Employment data are rounded to the nearest fifty and, job openings are rounded to the nearest ten.

Percentages and percent changes are based on unrounded data.

**Prepared By:** NJ Department of Labor and Workforce Development

Labor Market and Demographic Research

Occupational and Demographic Research

February 2007

All the included projections assume the current recession is not prolonged, nor that any unforeseen act of terrorism or global economic collapse occurs. Assuming this, job growth in Somerset County as a whole is expected to be 1% annually on average from 2004 to 2014. Within Warren Township, the same growth is expected, barring the constraints of available land for development and labor force. The table below shows the recent workforce limits in the Township and the projections following this model through 2014.

## Workforce by Sector Warren Township, Somerset County, NJ

|  | US Census<br>2000 | NJDOL<br>2003 | NJDOL<br>2004 | NJDOL<br>2005 | NJDOL<br>2006 | Estimated<br>% Change<br>2004-14~ | Estimated<br>Numbers<br>2014 |
|--|-------------------|---------------|---------------|---------------|---------------|-----------------------------------|------------------------------|
| <b>Total Population</b>                        | 14,219            | 15,295        | 15,432        | 15,630        | 15,816        | 9                                 | 16,821                       |
| Private wage and salary, self employed, family | 6,102             | 8,707         | 8,755         | 10,179        | 12,315        |                                   | 11,406                       |
| Government Workers                             | <u>704</u>        | <u>702</u>    | <u>762</u>    | <u>781</u>    | <u>802</u>    | 4.0                               | <u>815</u>                   |
| <b>TOTAL</b>                                   | <b>6,806</b>      | <b>9,409</b>  | <b>9,517</b>  | <b>10,960</b> | <b>13,117</b> | 11.5                              | <b>12,220</b>                |

SOURCE: US 2000 Census Bureau. Data rev. 8/23/08

2003 and 2006 data: NJ Dept. of Labor & Workforce Devel.

Developed from reported data on unemployment insurance.

~ Source: NJ DOL&WD, Feb 2007 and Projections 2014, and based on population aging data.

As population growth slows to below 1% per annum on average in the decade 2004 to 2014, and the population ages, we see a higher percentage of residents outside employable age. This is due to two significant trends occurring in the state: the population 45 to 64 years of age is increasing by 11% over that decade, and the population 65 and over is increasing by 16% over that decade. Two thirds of the new jobs over the decade will be created to replace workers who have retired or left their occupation. In Somerset County total private sector employment declined overall by 3.4% from 2000 to 2005. Employment increased in 2000 and 2001, then declined until 2004, and finally increased significantly over the next two years to historical high levels. These levels are not sustainable with an aging population, and we expect to see the total workforce contract slightly from 2006's benchmark. 2007 statewide job growth was at half the 2006 level, for example, and we expect to see this continue to contract. The workforce contraction, with the high cost of living in the township acting as a potential barrier to an influx of residents, may be another constraint, along with the lack of available land for development, that reduces growth in employment below the estimated numbers.

Source: Industry and Occupational Employment Projections for NJ: 2004-2014, Division of Labor Market & Demographic Research, and Somerset County Fact Book, NJ DOL&WD, Dec 2007.

### Employment Outlook

The outlook for employment in Warren Township is promising. Employers in the township are experiencing growth, although they are running up against the limits of development space for future continued expansion and an aging population which commands higher salaries due to time on job or is approaching retirement. The industry sectors expected to flourish include those with the highest wages, for example professional services and finance, but also those of more modest wages, including health care, entertainment, food and administrative services.

## ***CREDITS, REDUCTIONS AND MUNICIPAL ADJUSTMENTS***

### **General**

The Township completed its entire 1987-1999 obligation. A surplus of 32 units results. The Township growth share for January 2004-December 2018 is 403.7 units (see Appendix 1).

### **Overview**

Warren Township has prepared a Fair Share Plan that meets the requirements of N.J.A.C. 5:97-3.2. The Fair Share Plan shows a substantial portion of the estimated net growth share for the 2004-2018 period has been addressed.

Petition filing/summary of plan for total 1987-2018 fair share obligation sets forth accomplishments and mechanisms addressing the third round projected growth share including credits resulting from prior activities and/or authorized by the third round rules. The Township is entitled to substantial credits resulting from extension of affordability controls for 57 family affordable townhouse homes, will extend affordability controls for 88 family rental apartments and has sponsored (and donated/one dollar considerations for) supportive special-needs projects. The supportive/special-needs projects are as follows:

1. Six units (very low income)/Cerebral Palsy of New Jersey Project located block 114, lot 22.03, or 115 Stirling Road Warren, New Jersey (Township land contribution).
2. Six units (very low income-Medicaid) Chelsea assisted-living. Project developed and occupied November 4, 1999. Project was not included in second round certification.
3. Six units (very low income/age restricted)/Cooperative Housing Corp./shared housing (Township land contribution).
4. Eleven units (very low incomes/supports special-needs) CMG Chelsea, LLC/ block 79, lot 7.01

Fair Share Plan mechanisms are described in greater detail below.

Fair Share Ordinances as necessary for the implementation of the programs and projects designed to satisfy the fair share need have been adopted and are contained in the Warren Township Zoning Code Chapter XVI. Further, the governing body shall formally adopt the revisions of the Fair Share Ordinances as required within 45 days of the Council's grant of substantive certification where current requirements have been amended by NJAC 5:96.

### **Rehabilitation**

The COAH estimate of Warren Township's substandard units occupied by low and moderate income households is thirteen. The Township will continue its approved program (started 1988). The Township assists 1-2 homeowners annually and projects an additional 10 projects for the 3<sup>rd</sup> round. The existing Township program complies with 3<sup>rd</sup> round rules and requirements and is on file with COAH & NJHMFA. The Township contracts administration of the program with the State. A total of 7 rehabilitation projects have been completed since January 1999.



## ***MECHANISMS ADDRESSING 3RD ROUND GROWTH SHARE***

### **Inclusionary Zones/R-65 PAC and R-10AH/MF**

Warren Township amended its zoning ordinance permitting zoning for higher density residential development during the 2<sup>nd</sup> round certification period. This action was not required as part of the 2<sup>nd</sup> round certification.

The new zone (R-65 PAC) will result in 42 age restricted affordable units (under construction) and will address a portion of the 3<sup>rd</sup> round growth share obligation. The Township is also entitled 42 credits pursuant to NJAC 5:97-3.17.

A second development plan for shared housing has been approved, constructed and occupied. The project is located in the R-10 AH/MF district. This zone was approved as part of the Township's 2<sup>nd</sup> round certification. The project has been developed by a registered nonprofit organization C.H.C. The project is best described as shared housing. The facility provides 6 rooms for residents plus facilities for full time support personnel.

Warren Township has contracted with NJMFA to administer the units in accordance with the Uniform Housing Affordability Controls, NJAC 5:80-26.

### **Extension of Affordability Controls**

Extension of controls/existing 88 apartments and 57 townhomes – (existing controls expire 2013 and 2011) (funding source – Development Fee Ordinance).

### **Inclusionary projects comply with site suitability criteria and conformance with the State Development and Redevelopment Plan**

The Township's affordable housing projects described herein above conform to site suitability criteria. Sites are located in Planning Area 2.

The Township has achieved substantial compliance with its projected third round growth share obligation. A total of 290 units have been provided. This represents nearly 72% of the Township's total obligation for the period 2004–2018.

### **Planned Township sponsored – 100 % affordable programs**

Warren Township intends to provide additional low and moderate income units through a municipally sponsored affordable construction program. This mechanism shall be finalized during the 1<sup>st</sup> phase (year 1-3) of program certification. No formal authorized site negotiations have been initiated. Site selection criteria, development costs and affordability pro forma analysis are completed.

The township has successfully sponsored the development and marketing of a 57 unit, non-age restricted, 100% affordable townhome project. The Township has also through innovative zoning provided for the construction of a mixed-use project producing COAH units, lower middle income (125 percentile of moderate income as defined by COAH) and market units.

The depressed housing market of the past three years coupled with the finance industry collapse creates conditions and uncertainties far beyond the control of the Township. Given existing conditions the Township will proceed with developing details of the project pro forma but will delay site selection and financial commitments.

### **Age restricted housing**

Not more than 25 of the net growth share obligation will be met with age restricted housing in the Fair Share Plan.

### **Rental housing**

In addressing the housing need, the Fair Share Plan shall create a realistic opportunity to maintain and/or construct rental units. At least 25% of the municipality's growth share obligation shall be addressed with rental housing. This rental obligation shall be provided in proportion to the growth share obligation generated by the actual growth as set forth in and pursuant to NJAC 5:97-2.5.

## **APPENDIXES**

|                   |   |
|-------------------|---|
| APPENDIX 1 .....  | WORK BOOK A<br>GROWTH SHARE DETERMINATION |
| APPENDIX 2A ..... | HOUSEHOLD OCCUPANCY                       |
| APPENDIX 2B ..... | HOUSING CHARACTERISTICS                   |
| APPENDIX 2C ..... | TENURE/LENGTH OF OCCUPANCY                |
| APPENDIX 2D ..... | HOUSING VALUE                             |
| APPENDIX 2E ..... | HOUSING RENT COST                         |
| APPENDIX 3A ..... | POPULATION ESTIMATE                       |
| APPENDIX 3B ..... | AGE PROFILE                               |
| APPENDIX 3C ..... | EMPLOYMENT BY SECTOR                      |
| APPENDIX 3D ..... | LABOR FORCE                               |

# APPENDIX 1

## Workbook A: Growth Share Determination Using Published Data (Using Appendix F(2), *Allocating Growth To Municipalities*)

### COAH Growth Projections

Must be used in all submissions

**Municipality Name:** Warren

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification.

|   |   | Residential  | Non-Residential        |
|---|---|--|------------------------|
| 1 | Enter Growth Projections From Appendix F(2) *   | 990  | 3,346                  |
| 2 | Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab     | <a href="#">Click Here to enter Prior Round Exclusions</a> |                        |
|   | built or projected to be built post 1/1/04 **   |  |                        |
|   | Inclusionary Development  | 0  |                        |
|   | Supportive/Special Needs Housing  | 0  |                        |
|   | Accessory Apartments  | 0  |                        |
|   | Municipally Sponsored or 100% Affordable  | 0  |                        |
|   | Assisted Living   | 0  |                        |
|   | Other   | 0  |                        |
|   | Market Units in Prior Round Inclusionary development built post 1/1/04                          | 17   |                        |
| 3 | Subtract the following Non-Residential Exclusions (5:97-2.4(b))                                 |  |                        |
|   | Affordable units  | 0  |                        |
|   | Associated Jobs   |  | 3346                   |
| 4 | Net Growth Projection   | 973  | 3,346                  |
| 5 | Projected Growth Share (Conversion to Affordable Units Dividing Households by 5 and Jobs by 16) | 194.6 Affordable Units                                     | 209.1 Affordable Units |
| 6 | Total Projected Growth Share Obligation   |  | 403.7 Affordable Units |

\* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

\*\* 5 single family homes CO'd 12/03 – occupied post 1/1/04

## Affordable and Market-Rate Units Excluded from Growth

Municipality Name:

Warren

Prior Round Affordable Units NOT included in Inclusionary Developments Built post 1/1/04

| Development Type                          | Number of COs<br>Issued and/or Projected |
|---|--|
| Supportive/Special Needs Housing          |  |
| Accessory Apartments                      |  |
| Municipally Sponsored and 100% Affordable |  |
| Assisted Living                           |  |
| Other                                     |  |
| <b>Total</b>                              | <b>0</b>                                 |

### Market and Affordable Units in Prior Round Inclusionary Development

Built post 1/1/04

N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if rental units resulted from N.J.A.C. 5:93-5.15(c)5 incentives)

| Development Name  | Rentals?<br>(Y/N) | Total<br>Units | Market<br>Units | Affordable<br>Units | Market Units<br>Excluded |
|-------------------|-------------------|----------------|-----------------|---------------------|--------------------------|
| Greenwood Meadows | N                 | 17             |                 |                     | 17                       |
|                   |                   | 0              |                 |                     | 0                        |
|                   |                   | 0              |                 |                     | 0                        |
|                   |                   | 0              |                 |                     | 0                        |
|                   |                   | 0              |                 |                     | 0                        |
| <b>Total</b>      |                   | <b>17</b>      | <b>0</b>        | <b>0</b>            | <b>17</b>                |

### Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development

N.J.A.C. 5:97-2.4(b)

| Development Name | Affordable<br>Units<br>Provided | Permitted<br>Jobs<br>Exclusion |
|------------------|---------------------------------|--------------------------------|
|                  |                                 | 0                              |
|                  |                                 | 0                              |
|                  |                                 | 0                              |
|                  |                                 | 0                              |
| <b>Total</b>     | <b>0</b>                        | <b>0</b>                       |

[Return To Workbook A Summary](#)

## APPENDIX 2A

### Warren Township, Somerset County, NJ Household Occupancy

| * US CENSUS                                     |                |        |
|---|----------------|--------|
|   | Actual<br>2000 | %      |
| Total Population                                | 14,219         |        |
| <b>Total Housing Units</b>                      | <b>4,705</b>   |        |
| Occupied  | 4,616          | 98.11% |
| Vacant  | 89             | 1.89%  |
| For seasonal, recreational<br>or occasional use | 16             | 0.34%  |
| Homeowner vacancy rate %                        | 0.4            |        |
| Rental vacancy rate %                           | 2.0            |        |
| <b>HOUSING TENURE</b>                           |                |        |
| Owner occupied units                            | 4,266          | 92.42% |
| Renter occupied units                           | 350            | 7.58%  |
| Avg household size of<br>owner occupied units   | 3.11           |        |
| renter occupied units                           | 2.34           |        |

\* SOURCE: US Census Bureau.  
Census 2000, data rev. 8/23/08.

### Warren Township, Somerset County, NJ Housing Tenure & History

| * US CENSUS                             |                |        |
|---|----------------|--------|
|   | Actual<br>2000 | %      |
| Total Population                        | 14,219         |        |
| Residence in 1995 - pop. 5 yrs and over | 13,253         |        |
| Same house as in 1995                   | 8,660          | 65.34% |
| Different house in US in 1995           | 4,453          | 33.60% |
| Same county                             | 1,525          | 11.51% |
| Different county                        | 2,928          | 22.09% |
| Same state                              | 1,931          | 14.57% |
| Different state                         | 997            | 7.52%  |
| Outside US                              | 140            | 1.06%  |

\* SOURCE: US Census Bureau. Census 2000  
data rev. 8/23/08

| * US CENSUS    |   |
|----------------|---|
| Actual<br>2000 | % |

5,231 ~

**TOTAL HOUSING UNITS**

|                                     |       |        |
|-------------------------------------|-------|--------|
| 1 unit detached                     | 4,701 | 94.83% |
| 1 unit attached                     | 4,458 |        |
| 2 units                             | 52    | 1.11%  |
| 3 or more units                     | 53    | 1.13%  |
| 5 to 9 units                        | 36    | 0.77%  |
| 10 to 19 units                      | 64    | 1.36%  |
| 20 or more units                    | 32    | 0.68%  |
| mobile home                         | 6     | 0.13%  |
| boat, RV, van etc                   | 0     |        |
| Lacking complete kitchen facilities | 0     |        |
|                                     | 11    |        |

**AGE OF STRUCTURE**

|                    | # Units | %      | # Units | COs | Demos | Aged Exist. | AGE OF STRUCTURE   |
|--------------------|---------|--------|---------|-----|-------|-------------|--------------------|
| 1 year or less     | 95      | 2.02%  | 9       | 9   |       |             | 1 year or less     |
| 1 to 5 years       | 485     | 10.32% | 234     | 234 |       |             | 1 to 5 years       |
| 5 to 9 years       | 557     | 11.85% | 452     | 357 |       | 95          | 5 to 8 years       |
| 10 to 19 years     | 758     | 16.12% | 1,042   | 0   |       | 1042        | 9 to 17 years      |
| 20 to 29 years     | 711     | 15.12% | 758     |     |       | 758         | 18 to 27 years     |
| 30 to 39 years     | 835     | 17.76% | 711     |     | 0     | 711         | 28 to 37 years     |
| 40 to 59 years     | 807     | 17.17% | 835     |     | -56   | 835         | 38 to 47 years     |
| 60 years and older | 453     | 9.64%  | 751     |     | -14   | 807         | 48 to 67 years     |
|                    |         |        | 439     |     |       | 453         | 68 years and older |

**ROOMS**

|                 |       |      |
|-----------------|-------|------|
| 1 room          | 6     | 0.1  |
| 2 rooms         | 6     | 0.1  |
| 3 rooms         | 80    | 1.7  |
| 4 rooms         | 264   | 5.6  |
| 5 rooms         | 239   | 5.1  |
| 6 rooms         | 583   | 12.4 |
| 7 rooms         | 698   | 14.8 |
| 8 rooms         | 946   | 20.1 |
| 9 or more rooms | 1,879 | 40   |
| Median (rooms)  | 8     |      |

\* SOURCE: US Census Bureau.

Census 2000, data rev 8/23/08.

Projected age of structure based on existing stock at census 2000 and building permits since 2000 from NJ DOL&WD data.

Assumes all units proposed were completed.

~ There is no way to break out 1 & 2 unit or attached and detached from the CO or permit data. Therefore the only projection made is to total units. 600 CO's for new construction were issued and 70 units were demolished since the Census data was reported.

Warren Township, Somerset County, NJ  
Housing - Length of Occupation

| * US CENSUS    |   |
|----------------|---|
| Actual<br>2000 | % |

| Projected<br>2008 |
|-------------------|
|-------------------|

OCCUPIED HOUSING UNITS

4,616

5,158

LENGTH OF OCCUPATION

1 year or less  
1 to 5 years  
5 to 9 years  
10 to 19 years  
20 to 29 years  
30 years and older

| # Units |
|---------|
| 452     |
| 1,184   |
| 927     |
| 969     |
| 496     |
| 601     |

9.79%  
25.65%  
20.08%  
20.99%  
10.75%  
13.02%

Permits Demos Aged Exist. LENGTH OF OCCUPATION

1 year or less  
1 to 5 years  
5 to 8 years  
9 to 13 years  
14 to 17 years  
18 to 27 years  
28 to 37 years  
38 years and older

| # Units |
|---------|
| 9       |
| 234     |
| 809     |
| 1,184   |
| 927     |
| 969     |
| 440     |
| 586     |

452  
1,184  
927  
969  
496  
601

9  
234  
357  
0  
0  
-56  
-15

\* SOURCE: US Census Bureau.  
data rev. 8/23/08

Projected length of occup. based on existing stock at census 2000 and  
CO's and demolitions since 2000 from NJ DOCA data.  
Assumes all units constructed were occupied within a year.



## **APPENDIX 2D**

### **Warren Township, Somerset County, NJ Housing - Value**

| * US CENSUS                           |                |        |
|---------------------------------------|----------------|--------|
|                                       | Actual<br>2000 | %      |
| Total Population                      | 14219          |        |
| <b>OWNER OCCUPIED UNITS Reporting</b> | <b>4122</b>    |        |
| <b>VALUE</b>                          |                |        |
| < \$50,000                            | 19             | 0.46%  |
| \$50,000 - \$99,999                   | 20             | 0.49%  |
| \$100,000 - \$149,999                 | 77             | 1.87%  |
| \$150,000 - \$199,999                 | 197            | 4.78%  |
| \$200,000 - \$299,999                 | 708            | 17.18% |
| \$300,000 - \$499,999                 | 1604           | 38.91% |
| \$500,000 - \$999,999                 | 1279           | 31.03% |
| \$1,000,000 or more                   | 218            | 5.29%  |
| Median (dollars)                      | \$ 427,300     |        |
| UNITS WITH A MORTGAGE                 | 3087           | 75%    |
| Median Housing Monthly Cost (dollars) | \$ 2,608       |        |
| UNITS WITHOUT A MORTGAGE              | 1035           | 25%    |
| Median Housing Monthly Cost (dollars) | \$ 734         |        |

\* SOURCE: US Census Bureau.  
Census 2000, data rev 8/23/08

## APPENDIX 2E

### Warren Township, Somerset County, NJ Housing - Rentals

| * US CENSUS                     |                |        |
|---------------------------------|----------------|--------|
|                                 | Actual<br>2000 | %      |
| Total Population                | 14219          |        |
| RENTER OCCUPIED UNITS Reporting | 332            |        |
| Gross Rent Per Month            |                |        |
| < \$200                         | 0              | 0.00%  |
| \$200 - \$299                   | 0              | 0.00%  |
| \$300 - \$499                   | 0              | 0.00%  |
| \$500 - \$749                   | 5              | 1.51%  |
| \$750 - \$999                   | 93             | 28.01% |
| \$1,000 - \$1,499               | 102            | 30.72% |
| \$1,500 or more                 | 71             | 21.39% |
| No cash rent                    | 61             | 18.37% |
| Median (dollars)                | \$ 1,146       |        |

\* SOURCE: US Census Bureau.  
Census 2000, data rev 8/23/08.

## **APPENDIX 3A**

| <b>Estimated V. Actual Population NJ</b> |                             |                     |                     |                     |                     |                     |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Geographic Area</b>                   | <b>Population Estimates</b> |                     |                     |                     |                     |                     |
|  | <b>July 1, 2007</b>         | <b>July 1, 2006</b> | <b>July 1, 2005</b> | <b>July 1, 2004</b> | <b>July 1, 2003</b> | <b>July 1, 2002</b> |
| <b>Estimated Population NJ</b>           | 8,685,920                   | 8,666,075           | 8,657,445           | 8,641,235           | 8,604,990           | 8,558,327           |
| <b>Actual Population NJ</b>              |                             | 8,724,560           | 8,703,150           | 8,675,879           | 8,632,553           | 8,577,514           |
| <b>Population Growth</b>                 |                             | 21,410              | 32,759              | 56,467              | 63,144              | 79,184              |
| <b>Net Internal Migration</b>            |                             | -72,547             | -56,989             | -45,045             | -33,225             | -23,759             |
| <b>Net International Migration</b>       |                             | 54,058              | 47,392              | 56,265              | 59,067              | 62,813              |
| <b>Natural Increase</b>                  |                             | 39,190              | 42,341              | 44,874              | 38,000              | 40,163              |
| <b>Yearly population Growth</b>          |                             | 0.246%              | 0.378%              | 0.654%              | 0.736%              |                     |

**Source: Population Division, U.S. Census Bureau, NST - EST2007-03**

Population Growth and Migration figures SOURCE: Rutgers Issue Paper #26

October 2007: Where Have All the Dollars Gone? An Analysis of NJ Migration Patterns

James Hughes, Dean, Edward J. Bloustein School of Planning & Public Policy, et. al.

## **APPENDIX 3B**

**Age Breakdown of Warren Township, Somerset County, NJ**

|                                   | Actual        |               |  | Actual        | Projected |        |        |        |
|-----------------------------------|---------------|---------------|--|---------------|-----------|--------|--------|--------|
|                                   | 2000          |               |  | 2005          | 2010      | 2015   | 2020   | 2025   |
| <b>Warren Population</b>          | <b>14,259</b> |               |  | <b>15,630</b> | 16,720    | 17,370 | 18,020 | 18,150 |
| under 5                           | 1,019         | 7.15%         |  | 1,191         | 1,059     | 652    | 655    | 155    |
| 5 to 9                            | 1,252         | 8.78%         |  | 1,051         | 1,206     | 1,059  | 672    | 685    |
| 10 to 14                          | 1,341         | 9.40%         |  | 1,284         | 1,076     | 1,246  | 1,109  | 697    |
| 15 to 19                          | 856           | 6.00%         |  | 1,373         | 1,312     | 1,116  | 1,296  | 1,133  |
| 20 to 24                          | 413           | 2.90%         |  | 887           | 1,407     | 1,351  | 1,165  | 1,345  |
| 25 to 34                          | 1,162         | 8.15%         |  | 1,024         | 1,431     | 2,160  | 2,478  | 2,476  |
| 35 to 44                          | 2,764         | 19.38%        |  | 1,992         | 1,540     | 1,523  | 1,889  | 2,255  |
| 45 to 54                          | 2,403         | 16.85%        |  | 2,612         | 2,332     | 1,971  | 1,792  | 1,885  |
| <b>55 to 59</b>                   | <b>868</b>    | <b>6.09%</b>  |  | 1,213         | 1,336     | 1,201  | 1,006  | 941    |
| <b>60 to 64</b>                   | <b>583</b>    | <b>4.09%</b>  |  | 879           | 1,243     | 1,351  | 1,221  | 1,051  |
| <b>65 to 74</b>                   | <b>953</b>    | <b>6.68%</b>  |  | 1,043         | 1,418     | 1,953  | 2,334  | 2,394  |
| <b>75 to 84</b>                   | <b>494</b>    | <b>3.46%</b>  |  | 707           | 857       | 1,139  | 1,552  | 1,949  |
| <b>84 and over</b>                | <b>151</b>    | <b>1.06%</b>  |  | 376           | 502       | 646    | 850    | 1,183  |
| <b>Total over 55</b>              | <b>3,049</b>  |               |  | 4,217         | 5,356     | 6,292  | 6,964  | 7,518  |
| <b>Total over 65</b>              | <b>1,598</b>  |               |  | 2,125         | 2,776     | 3,739  | 4,737  | 5,526  |
| % population 5 to 20              |               | <b>27.08%</b> |  | 23.72%        | 21.50%    | 19.70% | 17.08% | 13.85% |
| % population 21-64                |               | <b>57.46%</b> |  | 55.06%        | 55.56%    | 55.03% | 53.00% | 54.84% |
| <b>% population 55 &amp; over</b> |               | <b>21.38%</b> |  | 26.98%        | 32.03%    | 36.22% | 38.65% | 41.42% |
| <b>% population 65 &amp; over</b> |               | <b>11.21%</b> |  | 13.60%        | 16.61%    | 21.53% | 26.29% | 30.45% |

\* SOURCE: US Census Bureau. Census 2000

## **APPENDIX 3C**

### **Employment by Sector WARREN TOWNSHIP**

|                           |      | <b>Average<br/>Annual No.<br/>Employers</b> | <b>Average<br/>Annual<br/>Employed</b> | <b>Average<br/>Annual<br/>Wage</b> | <b>Average<br/>Weekly<br/>Wage</b> |
|---------------------------|------|---|--|------------------------------------|------------------------------------|
| Federal<br>Government     | 2006 | 3   | 23                                     | \$64,145                           | \$1,234                            |
|                           | 2005 | 3   | 23                                     | \$56,258                           | \$1,082                            |
|                           | 2004 | 3   | 17                                     | \$56,525                           | \$1,087                            |
| Local<br>Government       | 2006 | 10  | 779                                    | \$58,100                           | \$1,117                            |
|                           | 2005 | 10  | 758                                    | \$57,418                           | \$1,104                            |
|                           | 2004 | 10  | 745                                    | \$53,223                           | \$1,024                            |
| <u>Private<br/>Sector</u> | 2006 | 479   | 12,315                                 | \$125,808                          | \$2,419                            |
|                           | 2005 | 494   | 10,179                                 | \$110,149                          | \$2,118                            |
|                           | 2004 | 522   | 8,755                                  | \$83,852                           | \$1,613                            |
| <b>TOTAL</b>              | 2006 | <b>492</b>                                  | <b>13,117</b>                          | <b>\$121,679</b>                   | <b>\$2,340</b>                     |
|                           | 2005 | <b>507</b>                                  | <b>10,960</b>                          | <b>\$106,390</b>                   | <b>\$2,046</b>                     |
|                           | 2004 | <b>535</b>                                  | <b>9,517</b>                           | <b>\$81,406</b>                    | <b>\$1,566</b>                     |

Source: NJ Dept. of Labor & Workforce Development

Developed from reported data on unemployment insurance, covered UI & UCFE

## **APPENDIX 3D**

### **Warren Township LABOR FORCE ESTIMATES**

|                              | <b>2,006</b> | <b>2005</b> | <b>2004</b> | <b>2003</b> | <b>2002</b> | <b>2001</b> |
|------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>Labor Force</b>           | 7,813        | 7,688       | 7,564       | 7,472       | 7,455       | 7,339       |
| <b>Employment</b>            | 7,657        | 7539        | 7408        | 7281        | 7258        | 7207        |
| <b>Unemployment Rate (%)</b> | 2            | 1.9         | 2.1         | 2.6         | 2.6         | 1.8         |

*Source: New Jersey Department of Labor and Workforce Development  
Labor Planning and Analysis, Bureau of Labor Force Statistics, 4/21/08*

## **SUPPORT DOCUMENTS**

- 1 ..... RESOLUTION ADOPTING HOUSING ELEMENT AND FAIR SHARE PLAN  
(PLANNING BOARD AND TOWNSHIP COMMITTEE)**
- 2 ..... ORDINANCE REVISING AFFORDABLE HOUSING DEVELOPMENT FEES  
(PURSUANT TO NEW COAH REGULATIONS)**
- 3 ..... RESOLUTION APPOINTING A MUNICIPAL HOUSING LIAISON  
(MARK KRANE – TOWNSHIP ADMINISTRATOR)**
- 4 ..... COAH CERTIFICATE SHOWING LIAISON COMPLETED  
APPROPRIATE TRAINING**
- 5 ..... ESCROW AGREEMENT FOR HOUSING TRUST FUND**
- 6 ..... SERVICE LIST**

**WARREN TOWNSHIP  
PLANNING BOARD RESOLUTION  
ADOPTING THE HOUSING ELEMENT AND FAIR SHARE**

**WHEREAS**, the Planning Board of Warren Township, Somerset County, State of New Jersey, adopted its current Master Plan pursuant to N.J.S.A. 40:55D-28 on December 11, 2006; and

**WHEREAS**, the Master Plan includes a Housing Element pursuant to N.J.S.A. 40:55D-28b(3); and

**WHEREAS**, N.J.A.C. 5:97-2.1(a) requires the adoption of the Housing Element by the Planning Board and endorsement by the Governing Body; and

**WHEREAS**, N.J.A.C. 5:97-3.1(a) requires the preparation of a Fair Share Plan to address the municipality's total 1987 through 2018 fair share obligation; and

**WHEREAS**, N.J.A.C. 5:97-3.1(b) requires the adoption of the Fair Share Plan by the Planning Board and endorsement by the Governing Body; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board of Warren Township held a public hearing on the Housing Element and Fair Share Plan on November 10, 2008; and

**WHEREAS**, the Planning Board has determined that the Housing Element and Fair Share Plan are consistent with the goals and objectives of the Warren Township's December 11, 2006 Master Plan and that adoption and implementation of the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

**NOW THEREFORE BE IT RESOLVED** by the Planning Board of Warren Township, Somerset County, State of New Jersey, that the Planning Board hereby adopts the November 10, 2008 Housing Element and Fair Share Plan.

  
\_\_\_\_\_  
Peter Villani  
Chairman of Planning Board

I hereby certify that this is a true copy of the resolution adopting the Housing Element and Fair Share Plan of Warren Township, Somerset County, on November 10, 2008.

  
Richard Kaufmann  
Planning Board Secretary



**RESOLUTION NO. 2008-264**

**PETITION COAH FOR SUBSTANTIVE CERTIFICATION WITH AN ADOPTED  
HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, the Planning Board of the Township of Warren, County of Somerset, State of New Jersey, adopted the Housing Element of the Master Plan on November 10, 2008; and

**WHEREAS**, the Planning Board adopted the Fair Share Plan on November 10, 2008; and

**WHEREAS**, a true copy of the resolution of the Planning Board, adopting the Fair Share Plan, is attached pursuant to N.J.A.C. 5:96-2.2(a)2.

**NOW, THEREFORE, BE IT RESOLVED**, that the Township Committee of the Township of Warren, County of Somerset, State of New Jersey, hereby endorses the Housing Element and Fair Share Plan as adopted by the Warren Township Planning Board;

**BE IT FURTHER RESOLVED**, that the Township Committee of the Township of Warren, pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.2(a), submits this petition for substantive certification of the Housing Element and Fair Share Plan to the Council on Affordable Housing for review and certification;

**BE IT FURTHER RESOLVED**, that a list of names and addresses for all owners of sites in the Housing Element and Fair Share Plan has been included with the petition;

**BE IT FURTHER RESOLVED**, that notice of this petition for substantive certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:96-3.5 within seven (7) days of issuance of the notification letter from the Council on Affordable Housing's Executive Director indicating that the submission is complete and that a copy of this resolution, the adopted Housing Element and Fair Share Plan and all supporting documentation shall be made available for public inspection at the Warren Township Clerk's office located at 46 Mountain Boulevard, Warren, New Jersey, during the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, for a period of forty five (45) days following the date of publication of the legal notice pursuant to N.J.A.C. 5:96-3.5.

| INTRODUCED | SECONDED | COMMITTEE | AYE | NAY | ABSTAIN | ABSENT |
|------------|----------|-----------|-----|-----|---------|--------|
|            | ✓        | SORDILLO  | ✓   |     |         |        |
|            |          | PLAGER    |     |     |         | ✓      |
| ✓          |          | GARAFOLA  | ✓   |     |         |        |
|            |          | SALVATO   | ✓   |     |         |        |
|            |          | DINARDO   | ✓   |     |         |        |

CERTIFICATION

I, Patricia A. DiRocco, RMC, Clerk of the Township of Warren, in the County of Somerset, New Jersey, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted at a meeting of the Township Committee held on November 20, 2008.

Patricia A. DiRocco, RMC  
Township Clerk

EXPLANATION: This ordinance revises the Township's development fee ordinance in accordance with new rules issued by the NJ Council on Affordable Housing ("COAH"), and P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7).

**TOWNSHIP OF WARREN  
ORDINANCE NO. 08-22**

**AN ORDINANCE OF THE TOWNSHIP OF WARREN,  
COUNTY OF SOMERSET, STATE OF NEW JERSEY,  
AMENDING, REVISING AND SUPPLEMENTING THE  
CODE OF THE TOWNSHIP OF WARREN, CHAPTER XV,  
"LAND USE PROCEDURES AND DEVELOPMENT",  
SECTION 15-5 "FEES", SUBSECTION 15-5.4  
"AFFORDABLE HOUSING DEVELOPMENT FEES"**

**BE IT ORDAINED** by the Township Committee of the Township of Warren, in the County of Somerset, State of New Jersey, as follows:

**Section 1.** Subsection 15-5.4 entitled "Affordable Housing Development Fees" of Section 15-5 entitled "Fees" of Chapter XV entitled "Land Use Procedures and Development" of the *General Land Development Ordinances of the Township of Warren*, is hereby deleted in its entirety and replaced to read as follows:

**15-5.4 Affordable Housing Development Fees.**

**a. Findings and Purposes.**

1. The Township Committee of the Township of Warren finds and declares that the creation and preservation of affordable housing in the Township serves the public interest. Maintaining and improving a stock of sound affordable housing requires affirmative steps by local government working cooperatively with public bodies at all levels and with the private sector.
2. The New Jersey Supreme Court, in *Holmdel Builder's Ass'n v. Holmdel Township*, 121 N.J. 550 (1990), determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27D-301 *et seq.*, and the State Constitution.
3. Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.

4. The purpose of this subsection is to establish standards for the collection, maintenance and expenditure of development fees in accordance with COAH's rules and regulations, and in accordance with P.L. 2008, c.46, Section 8 and 32-38. Fees collected pursuant to this subsection shall be used for the sole purpose of providing low- and moderate-income housing. This subsection shall be interpreted within the framework of COAH's regulations on development fees, including N.J.A.C. 5:97-8, and as may be amended.

b. *Basic Requirements.*

1. This subsection shall not be effective until approved by COAH pursuant to N.J.A.C. 5:96-5.1.
2. The Township of Warren shall not spend development fees until COAH has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3

c. *Definitions.* For the purposes of this subsection, the following terms shall have the following meanings:

1. **AFFORDABLE** means a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9.
2. **AFFORDABLE UNIT** means any housing unit proposed or created pursuant to the Fair Housing Act of 1985, credited pursuant to N.J.A.C. 5:97-4., or funded through the Township's affordable housing trust fund.
3. **AFFORDABLE HOUSING DEVELOPMENT** means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.
4. **COAH or COUNCIL** means the New Jersey Council on Affordable Housing established under the Fair Housing Act of 1985, which has primary jurisdiction for the administration of affordable housing obligations in accordance with sound regional planning considerations in the State.
5. **DEVELOPMENT FEES** means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.
6. **DEVELOPER** means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other individual, person, partnership, association, company, or corporation having an enforceable proprietary interest in such land.

7. **EQUALIZED ASSESSED VALUE** means the assessed value of a property divided by the current average ratio of assessed to true value for the Township as determined in accordance with sections 1, 5, and 6 of P.L. 1973, c.123 (C.54:1-35a through C.54:1-35c). Estimates at the time of building permit may be obtained by the Tax Assessor utilizing estimates for construction cost. Final equalized assessed value will be determined at project completion by the Tax Assessor.
  8. **GREEN BUILDING STRATEGIES** means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.
  9. **SUBSTANTIAL CHANGE** means a modification or elimination of a significant condition or conditions in a memorializing resolution or any significant modification in the design or layout of the subdivision plan previously approved which require a revised or amended subdivision plan application.
- d. *Development Fee Schedule.*
1. *Residential Development.*
    - (a) Within all zoning districts in the Township of Warren, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and one-half (1.5%) percent of the equalized assessed value for the residential development provided no increased density is permitted.
    - (b) When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers shall pay a development fee of six (6%) percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.  
Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one percent of the equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

2. *Nonresidential Development.*

- (a) Within all zoning districts in the Township of Warren, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one half (2.5%) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- (b) Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one half (2.5%) percent of the increase in equalized assessed value resulting from any additions or alterations to existing structures to be used for non-residential purposes.
- (c) Development fees shall be imposed and collected when an existing non-residential structure is demolished and replaced. The development fee of two and one half (2.5%) percent shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- (d) When an approval is granted for an increase in floor area pursuant to N.J.S.A. 40:55D-70d(4) (known as a "d" variance), developers shall pay a development fee of six (6%) percent on the additional floor area realized (above what is permitted by right under the existing zoning). However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base floor area for the purposes of calculating the bonus development fee shall be the highest floor area permitted by right during the two-year period preceding the filing of the variance application.

e. *Eligible Exactions, Ineligible Exactions and Exemptions.*

- 1. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
- 2. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.

3. Residential developments that have received preliminary or final site plan approval prior to the effective date of the initial development fee ordinance codified in this subsection shall be exempt from paying a development fee, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary and final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
4. Development fees shall not be imposed when an existing residential structure is expanded (including additions, alterations, renovations or reconstruction work).
5. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and one half (2.5%) percent development fee, unless otherwise exempted below.
6. The two and one half (2.5%) percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs to non-residential developments.
7. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-residential Development Fee Act, P.L.2008, c.46 (N.J.S.A. 40:55D-8.1, *et seq.*, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Specifically, all non-residential construction of buildings or structures on property used by churches, synagogues, mosques, and other houses of worship, and property used for educational purposes, which is tax exempt pursuant to N.J.S.A. 54:4-3.6, shall be exempt from the imposition of a non-residential development fee, provided that the property continues to maintain its tax exempt status under the statute for a period of at least three (3) years from the date of issuance of the certificate of occupancy. In addition, the following shall be exempt from the imposition of a non-residential development fee:
  - A. parking lots and parking structures, regardless whether the parking lot or parking structure is constructed in conjunction with a non-residential development, such as an office building, or whether the parking lot is developed as an independent non-residential development;
  - B. any non-residential development which is an amenity to be made available to the public, including, but not limited to, recreational facilities, community centers, and senior centers, as defined by the Statewide Non-residential Development Fee Act, which are developed in conjunction with or funded by a non-residential developer;

- C. non-residential construction resulting from a relocation of or an on-site improvement to a nonprofit hospital or a nursing home facility;
  - D. projects that are located within a specifically delineated urban transit hub, as defined pursuant to N.J.S.A. 34:1B-208;
  - E. projects that are located within an eligible municipality, as defined under N.J.S.A. 34:1B-208, which a majority of the project is located within a one-half mile radius of the midpoint of a platform area for a light rail system; and
  - F. projects determined by the New Jersey Transit Corporation to be consistent with a transit village plan developed by a transit village designated by the Department of Transportation.
8. Any exemption claimed by a developer shall be substantiated by that developer. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
9. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within forty five (45) days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Township of Warren as a lien against the real property of the owner.
- f. *Collection of Development Fees.*
1. Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official or other designated Township official responsible for the issuance of a building permit.
2. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
3. The construction official or other Township official responsible for the issuance of a building permit shall notify the Township Tax Assessor of



the issuance of the first building permit for a development which is subject to a development fee.

4. Within ninety (90) days of receipt of that notice, the Township Tax Assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
5. The construction official responsible for the issuance of a final certificate of occupancy shall notify the Tax Assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
6. Within ten (10) business days of a request for the scheduling of a final inspection, the Township Tax Assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
7. Should Township fail to determine or notify the developer of the amount of the development fee within ten (10) business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
8. The Township may collect up to fifty (50%) percent of the calculated development fee at the time of the issuance of the building permit, with the remaining portion to be collected at the issuance of the certificate of occupancy. Regardless of the time of collection, the development fee shall be based on the percentage that applies on the date that building permits are issued.
9. The failure of the developer to make timely payments of the aforesaid deficiency shall entitle the Township to file, without notice to the developer, a lien against the subject development. In the event the Township shall file such lien, the Township may add to the aforesaid deficiency amount reasonable attorney fees to file and discharge such lien, together with any and all costs incurred to file and discharge said lien. In the event that the estimated equalized assessed value proves to have been too high, the Township shall promptly refund the difference between the estimated development fees actually paid by the developer and the development fees required to be paid by the developer once such final equalized assessed value has been determined.
10. Appeal of development fees.
  - (a) A developer may challenge residential development fees imposed by filing a challenge with the Somerset County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in

an interest bearing escrow account by the Township of Warren. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within ninety (90) days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

(b) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within forty five (45) days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the Township of Warren. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within ninety (90) days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

g. *Affordable Housing Trust Fund.*

1. There is hereby created a separate, interest-bearing housing trust fund to be maintained by the Chief Financial Officer of the Township for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls, which shall be designated as the "Affordable Housing Trust Fund."
2. The following additional funds may be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
  - (a) payments in lieu of on-site construction of affordable units;
  - (b) developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
  - (c) rental income from municipally operated units;
  - (d) repayments from affordable housing program loans;
  - (e) recapture funds;
  - (f) proceeds from the sale of affordable units; and
  - (g) any other funds collected in connection with the Township of Warren's affordable housing program.
3. Within seven days from the opening of the trust fund account, the Township shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, the bank, and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
4. All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

h. *Use of Money.*

1. The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by COAH to address the Township of Warren's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
2. Funds shall not be expended to reimburse the Township for past housing activities.
3. At least thirty (30%) percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third (1/3) of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning thirty (30%) percent or less of median income by region.
  - (a) Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
  - (b) Affordability assistance to households earning thirty (30%) percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning thirty (30%) percent or less of median income. The use of development fees in this manner shall entitle the Township of Warren to bonus credits pursuant to N.J.A.C. 5:97-3.7.

- (c) Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- 4. The Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- 5. No more than twenty (20%) percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than twenty (20%) percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the Affordable Housing Trust Fund.
- i. *Monitoring.* The Township shall complete and submit to COAH all monitoring reports included in the monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of construction affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the Township's affordable housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH.
- j. *Spending Plans.* The Township shall submit to COAH a spending plan for the development fees collected by the Township pursuant to this subsection. The Township will identify the funds on its monitoring report pursuant to N.J.A.C. 5:97-8.12 and include a plan for the use of the funds in its spending plan pursuant to N.J.A.C. 5:97-8.10. The spending plan shall be subject to the review and approval of COAH pursuant to N.J.A.C. 5:96-5.3. The plan to spend development fees shall consist of the following information:
  - 1. A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;
  - 2. A projection of revenues anticipated from other sources, including contributions from developers as a result of negotiated agreements, payments in lieu of constructing affordable units on sites zoned for affordable housing, funds from the sale of units with extinguished controls,

proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, and interest earned;

3. A description of the administrative mechanism that the Township will use to collect and distribute revenues;
4. A description of the anticipated use of all affordable housing trust funds pursuant to N.J.A.C. 5:97-8.7, 8.8 and 8.9;
5. A schedule for the expenditure of all affordable housing trust funds;
6. A schedule for the creation or rehabilitation of housing units, if applicable;
7. In the event the Township supports or sponsors public sector or nonprofit construction of housing, a proforma statement of the anticipated costs and revenues associated with the development, consistent with the standards required by the New Jersey Housing and Mortgage Finance Agency in its review of funding applications;
8. As to the existing affordable housing plan maintained by the Township, a plan to send the trust fund balance as of the date of its third round petition within four years of COAH's approval of the spending plan, or in accordance with an implementation schedule approved by COAH;
9. The manner through which the Township will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan; and
10. A description of the anticipated use of excess affordable housing trust funds, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the Township's affordable housing obligation.

k. *Ongoing Collection of Development Fees.*

1. The Township's ability to impose, collect and expend development fees shall expire with its substantive certification unless the Township has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for substantive certification, and has received COAH's approval of this subsection. If the Township fails to renew its ability to impose and collect development fees prior to the expiration of its substantive certification, it may be subject to forfeiture of any or all funds remaining within its Affordable Housing Trust Fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). The Township shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor

shall the Township retroactively impose a development fee on such a development. The Township shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

**Section 2.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect, and to this end the provisions of this ordinance are hereby declared severable.

**Section 3.** All other ordinances in conflict or inconsistent with this ordinance are hereby repealed, to the extent of such conflict or inconsistency. In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the Township of Warren, the provisions hereof shall be determined to govern. All other parts, portions and provisions of the *Revised General Ordinances of the Township of Warren* are hereby ratified and confirmed, except where inconsistent with the terms hereof.


**Section 4.** The Township Clerk is directed to give notice at least ten days prior to a hearing on the adoption of this ordinance to the Somerset County Planning Board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15, and N.J.S.A. 40:55D-63(if required).

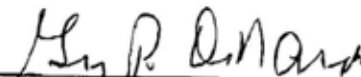
**Section 5.** After introduction, the Township Clerk is hereby directed to submit a copy of the within Ordinance to the Planning Board of the Township of Warren for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the Township Committee, within 35 days after referral, a report including identification of any provisions in the proposed ordinance which are inconsistent with the master plan and recommendations concerning any inconsistencies and any other matter as the Board deems appropriate.

**Section 6.** This ordinance shall take effect immediately upon (1) adoption; (2) publication in accordance with the laws of the State of New Jersey; (3) filing of the final form of adopted ordinance by the Clerk with (a) the Somerset County Planning Board pursuant to N.J.S.A. 40:55D-16, and (b) the Township Tax Assessor as required by N.J.S.A. 40:49-2.1; and (4) approval from COAH pursuant to N.J.A.C. 5:96-5.1.

ATTEST

TOWNSHIP OF WARREN

  
Name: Patricia DiRocco, RMC  
Title: Township Clerk

By:   
Name: Gary P. DiNardo  
Title: Mayor

INTRODUCED: November 6, 2008  
ADOPTED: December 11, 2008  
EFFECTIVE: December 18, 2008

**RESOLUTION NO. 2008-179**

**APPOINTING MARK M. KRANE AS MUNICIPAL HOUSING LIAISON  
(M.H.L.)  
PURSUANT TO C.O.A.H. REGULATIONS**

**WHEREAS**, the regulations of the Council on Affordable Housing require the designation of an Municipal Housing Liaison (M.H.L.) with the responsibility for oversight and administration of the Township's affordable housing program; and

**WHEREAS**, Township ordinance 16-6.8A.2b provides that the M.H.L. shall be appointed by the Township Committee and may be either a full time or part time employee; and

**WHEREAS**, Township Administrator, Mark M. Krane has completed the COAH Module 1 Training for Municipal Housing Liaison's;

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Warren, Somerset County, New Jersey, that Mark M. Krane is hereby appointed as M.H.L. pursuant to the provisions of 16-6.8A and the appropriate notification shall be filed with the Council on Affordable Housing.

| INTRODUCED | SECONDED | COMMITTEE | AYE | NAY | ABSTAIN | ABSENT |
|------------|----------|-----------|-----|-----|---------|--------|
|            |          | SORDILLO  | ✓   |     |         |        |
| ✓          |          | PLAGER    | ✓   |     |         |        |
|            | ✓        | GARAFOLA  | ✓   |     |         |        |
|            |          | SALVATO   | ✓   |     |         |        |
|            |          | DINARDO   | ✓   |     |         |        |

**CERTIFICATION**

I, Patricia A. DiRocco, Township Clerk of the Township of Warren, in the County of Somerset, New Jersey, do hereby certify the foregoing to be a true and correct copy of a resolution adopted at a meeting of the Township Committee held on July 17, 2008.

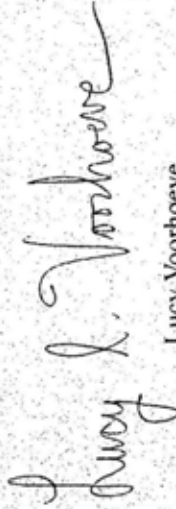
Patricia A. DiRocco, RMC  
Township Clerk



# The New Jersey Council on Affordable Housing Hereby Certifies that

**MARK M. KRANE**

**Successfully Completed COAH's Module I  
Training for Municipal Housing Liaisons, RCA  
Administrators, and Administrative Agents,  
held on June 18, 2008.**

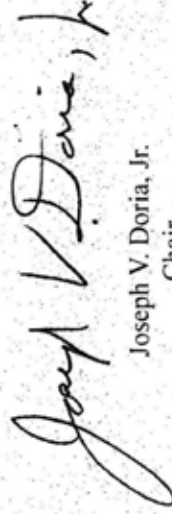


Lucy Voorhoeve  
Executive Director  
NJ Council on Affordable Housing

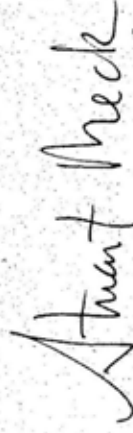


**RUTGERS**

Edward J. Bloustein School  
of Planning and Public Policy



Joseph V. Doria, Jr.  
Chair  
NJ Council on Affordable Housing



Stuart Meek  
Director  
Center for Government Services

**COPY****Escrow Agreement for Housing Trust Fund**

This Escrow Agreement made this 16 day of June, 2006, by and between:

**The Council on Affordable Housing ("COAH"),  
The Township of Warren ("Warren"), and  
Somerset Valley Bank (the "Bank")**

**WHEREAS**, a municipality may impose, collect and spend development fees, payments in lieu of constructing affordable units on-site and funds from the sale of units with extinguished controls in accordance with the regulations of COAH at N.J.A.C. 5:94-6.1 et seq., and with the approval of COAH; and

**WHEREAS**, on March 4, 1992, COAH approved the Township of Warren Development Fee Ordinance establishing standards for the collection, maintenance and expenditure of development fees consistent with COAH's rules and requiring that funds shall only be applied directly toward implementation of Warren's COAH-certified Fair Share Plan or Court Judgment of Compliance; and

**WHEREAS**, on March 12, 1992, the governing body of the Township of Warren adopted Ordinance #92-33, the Development Fee Ordinance of Warren Township amending the Municipal Code; and

**WHEREAS**, on September 6, 1995, COAH approved the Warren Township Second Round Spending Plan establishing standards for the expenditure of development fees pursuant to COAH's rules; and

**WHEREAS**, on December 7, 2005, the Township of Warren submitted a petition for third round substantive certification to COAH, and must submit a Third Round Spending Plan for COAH's approval; and

**WHEREAS**, the Township of Warren acknowledges that no expenditure of development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls collected after December 7, 2005, may occur prior to COAH's approval of a third round spending plan; and

**WHEREAS**, the Development Fee Ordinance requires an interest-bearing housing trust fund to be established for the purpose of receiving collected development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls and provides that no money shall be expended from the housing trust fund unless the expenditure conforms to the Development Fee Ordinance, a spending plan approved by COAH and the conditions set out at N.J.A.C. 5:94-6.12; and

**WHEREAS**, COAH's approval of the Development Fee Ordinance further requires Warren, within seven days of opening the trust fund account authorized by the ordinance, to enter into an escrow agreement with COAH pursuant to N.J.A.C. 5:94-6.11(a) to enable COAH to monitor disbursement of collected development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls and to direct expenditure of such funds after proper notice if their imposition, collection and/or expenditure are not in conformance with the terms of the approved Development Fee Ordinance, the conditions set out at N.J.A.C. 5:94-6.16(a) and the spending plan approved by COAH; and

**WHEREAS**, the Development Fee Ordinance further provides that if COAH determines that the imposition, collection, and/or expenditure of development fees are not in conformance with the terms of the approved Development Fee Ordinance and approved spending plan, COAH may, after a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., revoke a Development Fee Ordinance approval.

**NOW THEREFORE**, COAH, Warren and the Bank agree as follows:

1. Designation of Escrow Agent

COAH and Warren hereby designate Somerset Valley Bank (the "Bank") as their escrow agent, upon terms and conditions set forth herein, for the purpose of (a) receiving development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls collected by Warren, (b) holding such sums in the escrow account hereinafter described, and (c) disbursing the monies upon the direction of the Chief Financial Officer of Warren consistent with the spending plan approved by COAH.

2. Escrow Account

Warren shall deposit all development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls with the escrow agent and said escrow agent shall establish a separate, interest bearing account to be known as [insert name of account] AFFORDABLE HOUSING DEVELOPERS TRUST (the Account) and shall deposit therein such initial funds, as well as all subsequent development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls received from Warren. At no time shall the escrow agent commingle the funds deposited in the Account with any other funds or accounts held or maintained by the escrow agent, nor shall the escrow agent at any time set off any amount on deposit in the Account against (a) any indebtedness owed to the escrow agent by Warren or any other party, (b) any other obligation owed to the escrow agent by Warren or any other party, or (c) any claim which the escrow agent may have against Warren or any other party.

3. Application of Amounts on Deposit

The funds in the Account shall only be used for eligible affordable housing activities of the Township of Warren as set forth in a spending plan approved by COAH. The Bank shall disburse funds in the Account upon the direction of the Chief Financial Officer of Warren Township, unless notified otherwise by COAH.

4. Cessation of Disbursements from Funds and Direction of Disbursements by COAH  
COAH shall have the authority to halt disbursements by Warren from the Account upon written notice to the Bank and to direct all further disbursements. COAH shall have such authority if it determines, after notice to Warren, that the municipality is not in compliance with all conditions set out in N.J.A.C. 5:94-6.16(a), the Spending Plan and the Development Fee Ordinance. Upon receipt of written notice to cease disbursements from the Account, the Bank shall immediately halt disbursements by Warren until further written notice from COAH. The Bank will allow disbursements by COAH on behalf of Warren. COAH shall provide the Warren municipal clerk and chief financial officer with copies of all written notices.

In the event that any of the following conditions, as set out in N.J.A.C. 5:94-6.16(a) occur, COAH shall be authorized on behalf of Warren and consistent with its rules, to direct the manner in which all development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be expended:

- a. Failure to meet deadlines for information required by COAH in its review of a Housing Element and Fair Share Plan, development fee ordinance or plan for spending fees;
  - b. Failure to address COAH's conditions for approval of a plan to spend development fees, payments in lieu of constructing affordable units on site and funds from re-sales of units with extinguished controls within the deadlines imposed by COAH;
  - c. Failure to address COAH's conditions for substantive certification within deadlines imposed by COAH;
  - d. Failure to submit accurate annual monitoring reports pursuant to N.J.A.C. 5:94-6.13(a) within the time limits imposed by COAH;
  - e. Failure to implement the Spending Plan and expend the funds within the time schedules specified in the Spending Plan;
  - f. Expenditure of development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls on activities not permitted by COAH;
  - g. Revocation of certification; or
  - h. Other good cause demonstrating that the revenues are not being used for the approved purpose.
5. Standard of Care; Indemnification  
The Bank shall use reasonable care and due diligence in the performance of all of its duties hereunder. Warren shall indemnify COAH and hold it harmless from and against all liabilities, losses or damages incurred under COAH with respect to any

action COAH may take under this escrow agreement with the exception of liabilities, losses or damages solely caused by negligent acts, omissions, errors or willful misconduct by COAH.

6. Records and Accounts

The Bank shall keep accurate financial records and accounts of all transactions relating to the Account, including but not limited to all deposits to the Account, disbursements from the Account and interest earned on the Account which shall be made available for inspection by COAH and Warren, or their respective designees, at any reasonable time. Warren shall provide COAH with reports on an annual basis, which set forth the amount, date and description of all activity from the Account as well as other information COAH may require to monitor the Account.

7. Notices

All notices, certificates or other communications hereunder shall be delivered by hand or mailed by certified mail to the parties at the following addresses:

- a. If to COAH: Executive Director  
New Jersey Council on Affordable Housing  
101 South Broad Street  
PO Box 813  
Trenton, NJ 08625-0813
- b. If to Municipality: Municipal Clerk and Chief Financial Officer  
Township of Warren  
46 Mountain Blvd.  
Warren, New Jersey 07059
- c. If to Bank: ~~Chief Operating Officer~~ *PRESIDENT - LEO*  
Somerset Valley Bank  
*70 EAST MAIN STREET*  
*SOMERVILLE, NJ 08876*

Any of the parties may hereby designate different or additional addresses by notice in writing given to the other parties.

8. Further Assistance

The parties hereto shall authorize, execute, acknowledge and deliver such further resolutions, assurances and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and interests granted hereunder.

9. Agreement Subject to the Fair Housing Act

This agreement is subject to the Fair Housing Act and the rules of COAH set forth at N.J.A.C. 5:94-6.1 et seq., and nothing contained herein shall be interpreted to limit

or restrict in any way the discretion and authority vested in COAH by the Act or rules.

#### 10. Amendments

This agreement may not be amended, supplemented or modified except by a written instrument executed by all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date set forth above.

ATTEST:

Name:

Title:

Dated: June 16, 2006

TOWNSHIP OF WARREN

By:

Name: Carolann Garafola

Title: Mayor

ATTEST:

Name: Larissa DeBrow

Title: Public Info Assistant

Dated: July 13, 2006

COUNCIL ON AFFORDABLE HOUSING

By:

Name: Lucy Voorhoeve

Title: Executive Director

ATTEST:

Name: ELIZABETH J. BALUNIS

Title: CORP. SECRETARY

Dated: JUNE 21, 2006

SOMERSET VALLEY BANK

By:

Name: PAUL V. STANLIN

Title: PRESIDENT & CEO

# **WARREN TOWNSHIP**

## **DEVELOPMENT FEE**

### **SPENDING PLAN**

Prepared for the  
Warren Township  
Committee

By

*John T. Chadwick IV, P.P.*  
*3176 Route 27, Suite 1A*  
*Kendall Park, NJ 08824*

December 19, 2008

This report was signed and sealed in accordance with NJJSA45:14A-12

## **INTRODUCTION**

Warren Township has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). The original development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on March 1992 and adopted by the municipality on March 12, 1992. The ordinance and amendments establish the Warren Township affordable housing trust fund for which this spending plan is prepared.

As of July 17, 2008, Warren Township has collected \$6,241,005, expended \$2,349,077, resulting in a balance of \$3,891,928. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Skylands Community Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

Warren Township first petitioned COAH for substantive certification on March 3, 1985 and received prior approval to maintain an affordable housing trust fund on March 4, 1992. As of December 31, 2004, the prior round balance remaining in the affordable housing trust fund was \$3,179,979. From January 1, 2005 through July 17, 2008, Warren Township collected an additional \$1,925,895 in development fees, payments in lieu of construction, other funds, and/or interest. From January 1, 2005 through July 17, 2008, Warren Township expended funds on the affordable housing activities detailed in section 4 of this spending plan.



## 1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, Warren Township considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

**The Township does not anticipate any PIL revenues.**

(c) Other funding sources:

**No other funds have been or are anticipated to be collected.**

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate:

**Current rate is approximately 1.0% (see following table)**

| SOURCE OF FUNDS                      | PROJECTED REVENUES-HOUSING TRUST FUND - 2008 THROUGH 2018 |       |       |      |      |      |      |      |      |      |      |       |
|--------------------------------------|---|-------|-------|------|------|------|------|------|------|------|------|-------|
|                                      | 7/18/08<br>Through<br>12/31/08                            | 2009  | 2010  | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| (a) Development fees:                |   |       |       |      |      |      |      |      |      |      |      |       |
| 1. Approved Development              | 50  | 100   | 50    | 20   | 0    |      |      |      |      |      |      | 220   |
| 2. Development Pending Approval      |   | 60    | 40    | 30   | 20   |      |      |      |      |      |      | 150   |
| 3. Projected Development             |   |       | 30    | 30   | 40   | 60   | 60   | 60   | 60   | 60   | 60   | 460   |
| (b) Payments in Lieu of Construction |   |       |       |      |      |      |      |      |      |      |      |       |
| (c) Other Funds (Specify source(s))  |   |       |       |      |      |      |      |      |      |      |      |       |
| (d) Interest                         | 0.5   | 1.6   | 1.2   | 0.8  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 8.3   |
| <b>Total</b>                         | 50.5  | 161.6 | 121.2 | 80.8 | 60.6 | 60.6 | 60.6 | 60.6 | 60.6 | 60.6 | 60.6 | 838.3 |

Warren Township projects a total of \$838,300 in revenue to be collected between July 18, 2008 and December 31, 2018. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

## 2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Warren Township:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Warren Township's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Township distributes funds in accordance with standard procedures. The Township has been granted Dedication by Rider authority.

## 3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

Warren Township will dedicate \$2,608,086 to rehabilitation or new construction programs (see detailed descriptions in Fair Share Plan) as follows:

**Rehabilitation program:** \$150,000

**New construction project(s):** Township new construction project has not proceeded to development pro-forma. The Township has evaluated sites in accordance with COAH development criteria, evaluated and analyzed 100% affordable vs a blend of market and affordable units as well as type of construction. Pro-forma and estimated expenditures of available and projected development fee funds will be provided within the first three year period of third-round certification.

The Township has sold for one dollar consideration 1.5 acres of land to Cerebral Palsy of North Jersey for development of six special-needs units. The property is known as block 114, lot 22.03. A development plan has also been approved. Further, CPNJ has requested and the Township has approved a subsidy to advance affordability in the amount of \$250,000.

(b) **Affordability Assistance (N.J.A.C. 5:97-8.8)**

Projected minimum affordability assistance requirement:

|   |   |             |
|---|---|-------------|
| Actual development fees through 7/17/2008           |   | \$5,663,661 |
| Actual interest earned through 7/17/2008            | + | \$507,087   |
| Development fees projected* 2008-2018               | + | \$830,000   |
| Interest projected* 2008-2018                       | + | \$8,300     |
| Less housing activity expenditures through 6/2/2008 | - | \$1,914,576 |
| <b>Total</b>  | = | 5,094,472   |

|   |          |             |
|---|----------|-------------|
| 30 percent requirement  | x 0.30 = | \$1,528,342 |
| Less Affordability assistance expenditures through 12/31/2004   | -        | \$0         |
| <b>PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2005 through 12/31/2018</b>                 | =        | \$1,528,342 |
| <b>PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2005 through 12/31/2018</b> | ÷ 3 =    | \$509,447   |

\* Note: The 2008 portion of this projection reflects 2008 subsequent to July 17 as the remainder of 2008 is included in the actual figure reported above.

Warren Township will dedicate 30% of the development fee from the affordable housing trust fund to render units more affordable, including 1/3 of the above to render units more affordable to households earning 30 percent or less of median income by region, as follows:

The Township will spend funds in accordance with N.J.A.C. 5:97-8.7 inclusive. The Township opines expenditures for extension of expiring controls is eligible affordability assistance activity as per 5:97-8.7(a)-13. Simply put if controls expire affordability is lost. The Township further reserves its right to demonstrate that there are not sufficient units for which an affordability assistance program can be offered to equal or exceed 30% of Development Fee fund and funds may be utilized for other eligible activities.

**(c) Administrative Expenses (N.J.A.C. 5:97-8.9)**

Warren Township projects that \$1,018.894 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

The Township will spend funds for activities set forth in N.J.A.C. 5:97-8.9. The Township anticipates the majority of funds will go to licensed engineers, architects, land planners, construction supervision and legal services in connection with Township partnered and/or sponsored affordable housing projects.

#### 4. EXPENDITURE SCHEDULE

Warren Township intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

| Program<br><i>[Individually list programs and projects e.g. Rehab, Accessory Apartments, for-sale and rental municipally sponsored, etc].</i> | Number of Units Projected | Funds Expended and/or Dedicated | PROJECTED EXPENDITURE SCHEDULE<br>2009 -2018<br>(In Thousands) |      |       |      |      |      |      |      |      |      |      |       |
|---|---------------------------|---------------------------------|--|------|-------|------|------|------|------|------|------|------|------|-------|
|   |                           | 2005- July 17, 2008             | 7/18/ 08 – 12/31 /08   | 2009 | 2010  | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| Rehabilitation/ Units Assigned  | 15                        | 100                             | 0  | 15   | 15    | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 250   |
| Extension of Controls*  | 88                        | 0                               |  |      | 1,120 |      |      |      |      |      |      |      |      | 1,120 |
| Township Project #1   | 50                        | 0                               |  |      | 1,508 |      |      |      |      |      |      |      |      | 1,508 |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
| Township Project #2   | 64                        | 0                               |  |      | 500   |      |      | 600  |      |      |      |      |      | 1,100 |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
| Total Programs  | 217                       | 100                             | 0  | 15   | 3,143 | 15   | 15   | 615  | 15   | 15   | 15   | 15   | 15   | 3,978 |
| Affordability Assistance  |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
| * Extension of controls = affordability assistance  |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
| Administration  |                           | 0                               | 0  | 100  | 100   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 1,000 |
|   |                           |                                 |  |      |       |      |      |      |      |      |      |      |      |       |
| Total   |                           | 100                             |  | 115  | 3,243 | 115  | 115  | 115  | 115  | 115  | 115  | 115  | 115  | 4,378 |

Note: figures are rounded to nearest \$1,000

## **5. EXCESS OR SHORTFALL OF FUNDS**

Pursuant to the Housing Element and Fair Share Plan, the governing body of Warren Township will adopt a resolution of intent agreeing to fund any shortfall of funds required for implementing housing programs. In the event that a shortfall of anticipated revenues occurs, Warren Township intends to bond for shortfall.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund eligible projects and programs.

## **6. BARRIER FREE ESCROW**

Warren Township has not adopted a barrier free option within its Affordable Housing Ordinance.

## **SUMMARY**

Warren Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated and adopted November 10, 2008 by the Planning Board of Warren Township.

Warren Township has a balance of \$4,930,970 as of July 17, 2008 and anticipates an additional \$838,000 in revenues before the expiration of substantive certification for a total of \$5,094,472. The municipality will dedicate \$2,608,086 towards Fair Share Plan projects, \$1,528,342 to render units more affordable, and \$1,018,894 to administrative costs. Any shortfall of funds will be offset by bonding against future Development Fee revenues. The municipality will dedicate any excess funds toward implementation of its Fair Share Plan.

|   |                      |
|---|----------------------|
| <b>SPENDING PLAN SUMMARY</b>                        |                      |
| Balance as of July 17, 2008                         | \$4,930,970          |
|   |                      |
| <b>PROJECTED REVENUE July 18, 2008-2018</b>         |                      |
| Development fees                                    | + \$830,000          |
| Payments in lieu of construction                    | + \$0                |
| Other funds   | + \$0                |
| Interest  | + \$8,300            |
|   |                      |
| <b>TOTAL REVENUE</b>                                | <b>= \$5,769,270</b> |
| <b>EXPENDITURES</b>                                 |                      |
| Funds used for Rehabilitation                       | - \$250,000          |
| Funds used for New Construction                     |                      |
| 1. Township Project #1                              | - \$1,358,000        |
| 2. Township Project #2                              | - \$1,000,000        |
| 3. CPNJ/b114, 122.03                                | - \$250,000          |
| 4.  | - \$                 |
| 5.  | - \$                 |
| 6.  | - \$                 |
| 7.  | - \$                 |
| 8.  | - \$                 |
| 9.  | - \$                 |
| 10.   | - \$                 |
| Affordability Assistance (ext of controls/88 units) | - \$1,120,000        |
| Administration                                      | - \$1,000,000        |
| Excess Funds for Additional Housing Activity        | = \$                 |
| 1. Township Project #3                              | - \$791,270          |
| 2.  | - \$                 |
| 3.  | - \$                 |
| <b>TOTAL PROJECTED EXPENDITURES</b>                 | <b>= \$5,769,270</b> |
| <b>REMAINING BALANCE</b>                            | <b>= \$0.00</b>      |